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UNITED NATIONS COMMON SYSTEM

Report of the Fifth Committee

Rapporteur: Mr. Igor GOUMENNY (Ukraine)

I. INTRODUCTION

1. At its 3rd meeting, on 20 September 1996, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of the fifty-first session the item entitled "United Nations common system" and to allocate it to the Fifth Committee.

2. The Fifth Committee considered the item at its 32nd to 34th, 36th, 37th, 39th and 46th meetings, on 25, 27 and 29 November and 4, 6, 11 and 17 December 1996. Statements and observations made in the course of the Committee's discussion of the item are reflected in the relevant summary records (A/C.5/51/SR.32-34, 36, 37, 39 and 46).

3. For its consideration of the item, the Committee had before it the following documents:

(a) Report of the International Civil Service Commission for the year 1996 (A/51/30);[1]

(b) Statement submitted by the Secretary-General on the administrative and financial implications of the decisions and recommendations contained in the report of the International Civil Service Commission (A/C.5/51/24);

[1] Official Records of the General Assembly, Fifty-first Session, Supplement No. 30 (A/51/30).

(c) Note by the Secretary-General transmitting a statement adopted by the Administrative Committee on Coordination at its second regular session of 1996 (A/C.5/51/25 and Corr.1).

4. At the 32nd meeting, on 25 November 1996, the Chairman of the International Civil Service Commission introduced the annual report of the Commission (see A/C.5/51/SR.32).

II. CONSIDERATION OF DRAFT RESOLUTION A/C.5/51/L.35

5. At the 46th meeting, on 17 December 1996, the representative of New Zealand introduced a draft resolution entitled "United Nations common system: report of the International Civil Service Commission" (A/C.5/51/L.35), submitted by the Chairman of the Committee on the basis of informal consultations.

6. At the same meeting, the Committee adopted draft resolution A/C.5/51/L.35 (see para. 7 below).

III. RECOMMENDATION OF THE FIFTH COMMITTEE

7. The Fifth Committee recommends to the General Assembly the adoption of the following draft resolution:

United Nations common system: report of the International Civil Service Commission

The General Assembly,

Having considered the twenty-second annual report of the International Civil Service Commission[2] and other related reports,[3]

Reaffirming its commitment to a single, unified United Nations common system as the cornerstone for the regulation and coordination of the conditions of service of the United Nations common system,

Reaffirming the central role of the Commission in the regulation and coordination of the conditions of service of the United Nations common system,

Taking note of the statement of the Administrative Committee on Coordination and of the introductory statement of the Secretary-General regarding the report of the Commission,

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[2] Official Records of the General Assembly, Fifty-first Session, Supplement No. 30 (A/51/30).

[3] A/50/30 and Add.1, A/C.5/51/24 and A/C.5/51/25 and Corr.1.

I

CONDITIONS OF SERVICE OF THE PROFESSIONAL AND HIGHER CATEGORIES

A. Examination of the Noblemaire principle and its application

Recalling its resolutions[4] related to the study of all aspects of the application of the Noblemaire principle,

Recalling also section I.B of its resolution 44/198 of 21 December 1989, by which it reaffirmed that the Noblemaire principle should continue to serve as the basis of comparison between United Nations emoluments and those of the highest-paying national civil service,

Recalling further section I.A of its resolution 50/208 of 23 December 1995, by which it decided to defer consideration of the Noblemaire principle and its application and requested the Commission to review the recommendations and conclusions contained in chapter III.A of its twenty-first annual report,[5] to take into account the views expressed by Member States at its fiftieth session, in particular regarding the appropriateness of the reduction of dominance and the treatment of bonuses in determining net remuneration comparisons,

1. Reconfirms the continued application of the Noblemaire principle;

2. Reaffirms the need to continue to ensure the competitiveness of the conditions of service of the United Nations common system;

B. Comparator

1. Takes note of the further steps taken by the Commission to complete its study to identify the highest paid national civil service as outlined in paragraph 47 of the addendum to its twenty-first annual report;[6]

2. Decides to consider at its fifty-second session the report of the Commission as contained in paragraphs 33 to 47 of the addendum to its twenty-first annual report;

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[4] Resolution 46/191 A, sects. IV and VI; resolution 47/216, sect. II.C; resolution 48/224, sect. II.A and B; and resolution 49/223, sect. III.A.

[5] A/50/30. To be issued in final form as Official Records of the General Assembly, Fiftieth Session, Supplement No. 30 (A/50/30).

[6] A/50/30/Add.1.

C. Margin considerations and base/floor salary scale

Recalling that in the past the General Assembly had requested the Commission to make recommendations on the net remuneration margin methodology and that the Assembly has taken decisions in this regard,

Recalling also that by its resolution 44/198, section I.C, paragraph 3, it had endorsed the methodological approach for the calculation of the net remuneration margin as outlined in paragraph 173 (d) of volume II of the fifteenth annual report of the Commission,[7]

Recalling further section VIII of its resolution 46/191 A of 20 December 1991, by which the Commission was invited to pursue as a matter of priority its review of merit systems and performance appraisal in the common system as a vehicle for enhancing productivity and cost-effectiveness, as well as section VII of its resolution 49/223 of 23 December 1994,

1. Decides that the net remuneration margin methodology without the modifications in paragraph 119 (b) (ii) and (iii) of the Commission's twenty-first annual report[5] should continue to apply;

2. Reaffirms that the range of 110 to 120, with a desirable mid-point of 115, for the margin between net remuneration of officials in the Professional and higher categories of the United Nations in New York and officials in comparable positions in the United States federal civil service should continue to apply, on the understanding that the margin would be maintained at a level around the desirable mid-point of 115 over a period of time;

3. Notes that the margin between net remuneration of officials in the Professional and higher categories of the United Nations in New York and that of officials in comparable positions in the United States federal civil service for 1996, on the basis of its decision in paragraph 1 above, is 114.6;

4. Approves, with effect from 1 January 1997, the revised scale of gross and net salaries for staff in the Professional and higher categories contained in annex I to the present resolution and the consequential amendment to the Staff Regulations of the United Nations, as reflected in annex II to the present resolution;

5. Reiterates its request contained in section I.A., paragraph 4, of its resolution 50/208 that organizations should collect data to substantiate any problems with recruitment and retention difficulties faced by some organizations in respect of certain specialized occupations, and that the Commission should make recommendations for the implementation of special occupational rates as appropriate;

6. Requests the Secretary-General of the United Nations to make operational proposals to the General Assembly by 1 October 1997 on the

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[7] Official Records of the General Assembly, Forty-fourth Session, Supplement No. 30 (A/44/30), vol. II.

possibility of introducing a system of performance awards or bonuses, in the context of the performance appraisal system, to a limited number of staff in recognition of their outstanding performance and specific achievements in a given year, for consideration by the General Assembly at its fifty-second session;

7. Invites the executive heads of the organizations of the common system to develop and submit proposals, as a matter of priority, to their relevant intergovernmental bodies on the possibility of introducing performance awards or bonuses to a limited number of staff in recognition of their outstanding performance and specific achievements in a given year, and to coordinate, to the extent possible, these proposals with those developed by the Secretary-General;

8. Requests the Commission to provide general comments on the concept of performance awards and bonuses to the General Assembly at its fifty-second session;

D. Supplementary payments

Recalling the resolutions adopted by the General Assembly at its forty-fifth session regarding the decisions of the Commission with respect to the practice of some Member States of making supplementary payments with respect to their nationals, and recalling also the affirmation by the Commission that such arrangements are unnecessary, inappropriate and undesirable, and are inconsistent with the staff regulations of the organizations,

1. Requests the Secretary-General of the United Nations and the executive heads of the organizations of the common system to take such measures and make such proposals as they consider appropriate in order to end such practices;

2. Requests all organizations to issue or reissue, as appropriate, instructions to staff regarding the unacceptability of receiving supplementary payments;

3. Invites Member States to discontinue such practices;

E. Post adjustment matters

Recalling its request in section II.G of its resolution 48/224 of 23 December 1993, regarding place-to-place surveys conducted at headquarters duty stations,

Recalling also its request in section I.B, paragraph 3, of its resolution 50/208, regarding the operation of the post adjustment system, the examination of the system by the working group on post adjustment [including, inter alia, the identification of elements of pay, expenditures, that should not be indexed for local price charges, the evaluation of out-of-area expenditures as part of pay and the study of the appropriateness of applying the out-of-area index to some of those elements],

Recalling further its request in section I.B, paragraph 2, of its resolution 50/208, regarding the establishment in 1996, in respect of staff members whose duty station is Geneva, of a single post adjustment index which is fully representative of the cost of living of all staff working in the duty station and which ensures equality of treatment with staff in other headquarters duty stations,

1. Endorses the Commission's decision regarding the out-of-area expenditure weights as contained in paragraph 188 of its report,[2] and requests the Commission to continue to monitor this issue and to report to the General Assembly as appropriate;

2. Notes the introduction, with effect from 1 March 1997, of minimum out-of-area expenditure weights in the calculation of post adjustment indices as contained in paragraph 188 of the report of the Commission;

3. Reiterates its request to the Commission urgently to complete its study regarding the methodology for establishing a single post adjustment index for Geneva, and to complete the study needed to implement the single post adjustment at the earliest date, and no later than 1 January 1998;

4. Requests the Commission to review further all the issues relating to the post adjustment system, inter alia, those listed in paragraph 3 of section I.B of resolution 50/208, and to report thereon to the General Assembly at its fifty-third session;

F. Dependency allowances

Recalling paragraph 2 of section II.F of its resolution 47/216 of 23 December 1992, in which it noted that the Commission would review the level of dependency allowances every two years,

Noting the Commission's review of dependency allowances, reflecting relevant changes in tax abatement and social legislation at the seven headquarters duty stations since 1993,

1. Approves, with effect from 1 January 1997, an increase of 7.98 per cent in the children's allowance (including that for disabled children) and secondary dependant's allowance;

2. Takes note of the updated list of hard currency duty stations for which the allowances are specified in local currency, as contained in annex X to the report of the Commission;[2]

II

GENERAL SERVICE AND OTHER LOCALLY RECRUITED CATEGORIES

Recalling that, in section XIV of its resolution 45/241 of 2 December 1990, the General Assembly had requested the Commission to consider, inter alia, the

relativities between the terms and conditions of service of staff in the Professional and higher categories and those in other categories,

Recalling also section III, paragraph 1, of its resolution 47/216, in which it endorsed the reaffirmation by the Commission of the Flemming principle as the basis for determining the conditions of service of the General Service and related categories,

1. Notes the preparations undertaken for the 1997 review of the methodologies for the surveys of best-prevailing local conditions of employment at headquarters and non-headquarters duty stations;

2. Urges the representatives of staff to participate fully in the working groups of the Commission in its review of the salary survey methodologies;

3. Requests the Commission, as part of its review of the methodology for salary setting for staff in the General Service and other locally recruited categories, inter alia:

(a) To resolve, to the extent possible, inconsistencies between that methodology and the one which is applied pursuant to the Noblemaire principle, inter alia, by examining the question of overlap in remuneration between the two categories;

(b) To study the feasibility of increasing the weight of public-sector employers in the salary surveys at headquarters duty stations;

(c) To submit a report based on the review of the methodology to the General Assembly at its fifty-second session;

4. Also requests the Commission to defer a final decision on the General Service salary setting methodology pending the review of the application of the Flemming principle by the General Assembly at its fifty-second session and to adjust its programme of headquarters salary surveys as appropriate;

5. Decides that the requests contained in paragraphs 6, 7 and 8 of section I.C above shall also apply in respect of staff in the General Service and other locally recruited categories of staff;

III

COMMON STAFF ASSESSMENT SCALE

Recalling that, in section I, paragraph 4, of its resolution 48/225 of 23 December 1993, it approved the procedure in paragraph 44 of the nineteenth annual report of the Commission[8] for determining the common staff assessment scale, with two separate sets of rates (single and dependent), and recalling also that in paragraph 5 it requested the Commission, in close cooperation with the United Nations Joint Staff Pension Board, as part of the comprehensive

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[8] Ibid., Forty-eighth Session, Supplement No. 30 (A/48/30 and Corr.1).

review, inter alia, of the methodology for determining the scale of pensionable remuneration of staff in the Professional and higher categories scheduled for 1996, to develop a common staff assessment scale for the determination of the pensionable remuneration of all categories of staff using the above-mentioned procedure and reflecting the latest available tax rates,

Noting with satisfaction that the close cooperation between the Commission and the Board has resulted in agreement between the two bodies, inter alia, on the methodology and its application for the common staff assessment scale for all categories of staff, as reflected in their respective reports,

Noting that the Commission, in accordance with article 10 (d) of its statute, has developed the common staff assessment scale for pensionable remuneration purposes contained in annex IV to the report of the Commission,[2] taking into account the views of the United Nations Joint Staff Pension Board set out in paragraphs 152 to 159 of its report,[9] and the considerations set out in paragraphs 83 to 89 of the report of the Commission,[2]

1. Approves, with effect from 1 January 1997, the revised staff assessment scale recommended by the Commission in annex IV to its report for determining the pensionable remuneration of all categories of staff, subject to the procedure set out in paragraph 107 of its report in the case of General Service and related categories, as well as for use in conjunction with gross salaries of the General Service and related categories of staff, and the consequential amendments to the Staff Regulations as shown in annex II to the present resolution;

2. Requests the Commission to report on the impact of the differences in national and local tax rates at the seven headquarters duty stations on the gross pension benefits of locally recruited staff in the General Service and related categories at those duty stations in comparison with the compensation for such taxes provided by the common staff assessment rates;

IV

EDUCATION GRANT

Recalling section IV, paragraph 1, of its resolution 47/216, in which it endorsed the revised methodology for the determination of the education grant,

1. Approves increases in the maximum reimbursement levels in seven currency areas, as well as other adjustments to the management of the reimbursement of expenses under the education grant, as recommended by the Commission in paragraph 230 (a) to (f) of its report;[2]

2. Takes note of the Commission's intention to undertake in 1997 an in-depth review of the methodology for determining the education grant;

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[9] Ibid., Fifty-first Session, Supplement No. 9 (A/51/9).

3. Decides, pending the completion of the above review, to delegate to the Chairman of the International Civil Service Commission the authority requested in paragraph 230 (e) of the report of the Commission;

V

APPOINTMENTS OF LIMITED DURATION

Takes note of chapter VI.B of the report of the Commission,[2] and requests the Commission to continue its review of the subject of appointments of limited duration without delay;

VI

MOBILITY AND HARDSHIP

Recalling section I.E of its resolution 44/198, by which it introduced a mobility and hardship allowance with effect from 1 July 1990 and requested the Commission to report to the General Assembly at its forty-seventh session on the operation of the allowance and the assignment grant,

Recalling also section V of its resolution 47/216, by which it took note of the intention of the Commission to review the operation of the mobility and hardship scheme after more experience had been gained in its operation and requested the Commission to report thereon to the General Assembly at its fifty first session,

Recalling further section VI, paragraph 2, of its resolution 49/223, by which it requested the Commission to reconsider its decision to link hazard pay to the base/floor salary scale for internationally recruited staff and its decision on the level of hazard pay and to propose alternative approaches to hazard pay and to report thereon to the General Assembly at its fifty-first session,

1. Takes note of the conclusions of the Commission in respect of the operation of the mobility and hardship scheme as contained in chapter VII of its report;[2]

2. Approves the Commission's recommendations regarding the mobility and hardship scheme as contained in paragraph 304 (d) to (g) of its report;

3. Endorses the Commission's decision to delink hazard pay for Professional and higher level staff from the base/floor salary scale and to review the level of hazard pay every two years;

4. Requests the Commission to further review the linkage between the base/floor salary scale and the mobility and hardship allowance, taking into account the views expressed by Member States in the Fifth Committee of the General Assembly;

VII

STAFF PARTICIPATION IN THE WORK OF THE COMMISSION

Recalling section I.B of its resolution 47/216, section I of its resolution 48/224 and section II of its resolution 49/223,

1. Notes with appreciation the recent developments regarding the resumption of the dialogue between the Commission and the staff associations as expressed in relevant statements in the Fifth Committee;

2. Reiterates its request in section IV, paragraph 4, of its resolution 50/208, wherein it called upon the Coordinating Committee for International Staff Unions and Associations of the United Nations System and the Federation of International Civil Servants' Associations to resume participation in the work of the Commission in a spirit of cooperation and non-confrontation;

VIII

FUNCTIONING OF THE COMMISSION

Recognizing that an audit of the work of the Commission has not been undertaken since its establishment,

Calls upon the Board of Auditors, without prejudging its programme of work, to conduct a management review of all aspects of the work done by the secretariat of the Commission in time for the submission of a report thereon to the General Assembly during its fifty-second session;

IX

STATE OF THE COMMON SYSTEM

Recalling its resolution 46/191 A of 20 December 1991,

Requests the Commission to take the lead in analysing new approaches in the human resources management field so as to develop standards, methods and arrangements that will respond to the specific needs, especially regarding future staffing, of the organizations of the common system, including, inter alia, consideration of flexible contractual arrangements, performance-based pay and the introduction of special occupational pay rates, and to report to the General Assembly thereon at its fifty-third session.

Annex I

SALARY SCALE FOR THE PROFESSIONAL AND HIGHER CATEGORIES*

ANNUAL GROSS SALARIES AND NET EQUIVALENTS AFTER APPLICATION OF STAFF ASSESSMENT

(In United States dollars)

Effective 1 January 1997

Level	STEPS														
	I	II	III	IV	V	VI	VII	VII	IX	X	XI	XII	XIII	XIV	XV
USG															
Gross	142 546														
Net (D)	99 059														
(S)	89 069														
ASG															
Gross	129 524														
Net (D)	90 855														
(S)	82 245														
D 2															
Gross	106 053	108 373	110 704	113 056	115 409	117 763									
Net (D)	76 033	77 516	78 998	80 480	81 963	83 446									
(S)	69 824	71 112	72 384	73 616	74 849	76 083									
D 1															
Gross	93 810	95 797	97 784	99 767	101 754	103 741	105 728	107 715	109 700						
Net (D)	68 210	69 479	70 749	72 016	73 286	74 556	75 825	77 095	78 364						
(S)	63 030	64 132	65 235	66 336	67 439	68 541	69 644	70 747	71 849						
P 5															
Gross	82 758	84 534	86 310	88 085	89 861	91 655	93 453	95 251	97 047	98 845	100 643	102 439	104 237		
Net (D)	61 090	62 239	63 387	64 536	65 685	66 833	67 982	69 131	70 278	71 427	72 576	73 724	74 873		
(S)	56 664	57 707	58 749	59 791	60 833	61 834	62 83.	63 829	64 826	65 824	66 822	67 819	68 817		
P 4															
Gross	68 181	69 891	71 597	73 303	75 013	76 743	78 474	80 206	81 938	83 667	85 397	87 132	88 862	90 601	92 355
Net (D)	51 597	52 718	53 838	54 957	56 078	57 198	58 318	59 438	60 559	61 678	62 797	63 920	65 039	66 159	67 280
(S)	48 019	49 044	50 068	51 092	52 118	53 133	54 149	55 166	56 182	57 198	58 213	59 232	60 247	61 249	62 222
P 3															
Gross	55 700	57 282	58 866	60 446	62 030	63 612	65 196	66 802	68 405	70 011	71 614	73 218	74 822	76 445	78 073
Net (D)	43 326	44 378	45 431	46 482	47 535	48 587	49 639	50 692	51 744	52 797	53 849	54 901	55 953	57 005	58 058
(S)	40 419	41 387	42 356	43 323	44 292	45 260	46 228	47 191	48 153	49 116	50 079	51 041	52 003	52 958	53 914
P 2															
Gross	44 830	46 208	47 586	48 967	50 345	51 726	53 106	54 485	55 889	57 303	58 717	60 134			
Net (D)	35 921	36 864	37 804	38 745	39 686	40 627	41 568	42 509	43 451	44 391	45 332	46 274			
(S)	33 701	34 556	35 408	36 261	37 113	37 966	38 820	39 672	40 534	41 399	42 265	43 132			
P 1															
Gross	34 152	35 417	36 710	38 004	39 297	40 590	41 887	43 180	44 473	45 786					
Net (D)	28 435	29 341	30 245	31 150	32 054	32 958	33 864	34 768	35 671	36 576					
(S)	26 825	27 658	28 488	29 319	30 149	30 979	31 811	32 ..1	33 471	34 296					

D : Rate applicable to staff members with a dependent spouse or child.

S : Rate applicable to staff members with no dependent spouse or child.

* This scale will be implemented effective 1 January 1997 in conjunction with a consolidation of 5.26 per cent of post adjustment. There will be consequential adjustments in the post adjustment indices and multipliers at all duty stations, effective 1 January 1997. Thereafter, changes in post adjustment classifications will be effected on the basis of the movements of the newly consolidated post adjustment indices.

Annex II

Amendments to the Staff Regulations of the United Nations

Regulation 3.3

Replace the tables in paragraph (b) (i) by the following:

Total assessable payments (United States dollars)	Staff assessment rates for purposes of pensionable remuneration and pensions (percentage)
Up to 20 000 per year	11
20 001 to 40 000 per year	18
40 001 to 60 000 per year	25
60 001 and above per year	30

Total assessable payments (United States dollars)	Staff assessment rates used in conjunction with gross base salaries (percentage)	
	Staff member with a dependent spouse or a dependent child	Staff member with neither a dependent spouse nor a dependent child
First 15 000 per year	9.0	11.8
Next 5 000 per year	18.1	24.6
Next 5 000 per year	21.5	27.1
Next 5 000 per year	24.9	31.7
Next 5 000 per year	27.5	33.4
Next 10 000 per year	30.1	35.8
Next 10 000 per year	31.8	38.2
Next 10 000 per year	33.5	38.8
Next 10 000 per year	34.4	40.0
Next 15 000 per year	35.3	41.3
Next 20 000 per year	36.1	44.5
Remaining assessable payments	37.0	47.6

Annex III

Amendments to the Staff Regulations of the United Nations

Regulation 3.3

Replace the table in paragraph (b) (ii) by the following table:

Total assessable payments (United States dollars)	Assessment (percentage)
Up to 20 000 per year	19
20 001 to 40 000 per year	23
40 001 to 60 000 per year	26
60 001 and above per year	31